

**Statement*****Services individually specified as taxable services***

- (1) Services outsourced for mining of mineral, oil or gas;
- (2) Services provided in relation to renting of immovable property, other than residential properties and vacant land, for use in the course and furtherance of business or commerce;
- (3) Services provided in relation to the execution of a works contract;
- (4) Development and supply of content for use in telecommunication services, advertising agency services and online information and database access or retrieval services;
- (5) Asset management services including portfolio management and all forms of fund management service provided by any person, except a banking company or a financial institution including a non-banking financial company or any other body corporate or commercial concern;
- (6) Design services.

**Planning Commission's recommendation on cut in Non-Plan expenditure and subsidies**

781. SHRIMATI SHOBHANA BHARTIA:  
SHRIMATI PREMA CARIAPPA:

Will the Minister of FINANCE be pleased to state:

(a) whether faced with a fund crunch, the Planning Commission has warned that Government may have to phase out some of its new schemes, postpone some and drastically prune the allocation on ongoing projects;

(b) if so, whether Planning Commission has estimated that adhering to the Fiscal responsibility and Budget Management Act would result in 15 per cent increase in the budgetary support for Central and State plan during 2007-08;

(c) whether Commission recommended drastic cuts in Non-Plan expenditure and populist subsidies to mobilise more funds for the Eleventh Plan; and

(d) if so, the steps being considered?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) The document titled "Towards Faster and More Inclusive Growth, an approach to the 11th Five Year Plan" brought out by the Planning Commission, has discussed various measures that may need to be adopted for financing public investment during the 11th Plan period, particularly in the context of the fiscal responsibility and Budget Management Act, 2003. In this document, it has *inter-alia* been stated that given the constraints on the fiscal deficit imposed by the FRBM legislation, achievement of the desired Plan size will depend critically upon achieving an increase in tax revenues as a proportion of GDP and a fall in non-Plan expenditure as a percentage of GDP. The document also notes that determined action on both fronts should make it possible to achieve a level of GBS for the Plan (Centre plus States combined). The Approach paper also notes that effective control on non-Plan expenditure in practice means control of subsidies, especially untargeted subsidies that are not aimed at the poor and vulnerable section. It also means levy of rational user charges in many areas to limit the demands for Budgetary Support.

(d) The Union Budget for the year 2007-08, which is also the first year of the 11th Plan, addresses the priorities laid out in the Approach paper by providing for Rs. 205,100 crore as Gross Budget Support under Plan while at the same time continuing on the path of fiscal consolidation as envisaged in the FRBM legislation.

#### **NABARD loan to Orissa**

782. MS. PRAMILA BOHIDAR:  
SHRI B.J. PANDA:

Will the Minister of FINANCE be pleased to state:

(a) whether NABARD has sanctioned a sum of Rs. 118 crore to Orissa under Tranche XII for construction of rural roads, bridges and new irrigation projects, taking the cumulative sanctions under this project to Rs. 286 crores during 2006;

(b) if so, the details thereof;

(c) whether the bank also propose to provide further financial help for rural infrastructure in the State; and